

*The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.*

### What is a Tracking Chart?

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings:** The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation:** The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress:** The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

### What a Tracking Chart is NOT -

- An exhaustive assessment of factory conditions

Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory's conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- A pass or fail evaluation

The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory's working conditions.

- A one-time event

Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.

**Note on Language**

Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers' identities, we have replaced the numbers with generic wording in brackets (i.e. "[some]", "[worker interviews revealed that]",etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA's efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

**Instructions for Printing**

The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select "legal" size paper from Print properties.

<b>FLA Audit Profile</b>	
Country	Vietnam
Factory name	070084481E
ISA	Global Standards
Date(s) in facility	October 27 & 28, 2006
PC(s)	Nike, Inc.
Number of workers	812
Product(s)	Garments
Production processes	Cutting, preparation, sewing, packing

FLA Code/ Compliance Issue	Country Law/ Legal Reference	FLA Benchmark	Non-compliance	ESM Findings	Evidence of Non-compliance (unsubstantiated)	If not corroborated, explain why	Source/Documentation used for corroborating	Notable Features Implemented by Factory Management or Company	PC Internal Audit Findings (Optional)	PC Remediation plan	Target Completion Date	Remediation	Factory Response (Optional)	Company follow up (Cite date of follow up)	Documentation	(Status)	Updates (Cite Date of Follow up)	Third-Party Verification	Company Verification Follow up
<b>1. Code Awareness</b>																			
<b>2. Forced Labor</b>																			
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.																			
<b>3. Child Labor</b>																			
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.																			
<b>4. Harassment or Abuse</b>																			
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment or abuse.																			
Progressive Discipline	Chapter VII of labor code Decree 41/CP-1996 Decree 33/2003/ND-CP Circular 19/2003/TT-BLĐTBXH	Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to workers.	Factory does not follow proper legal procedures for discipline and administers punishments not consistent with internal work rules. (i.e. worker suspended without pay for several days.				Record review, worker interview			Factory to immediately stop this practice of suspending worker without pay. Review and discipline all workers. Factory to come up with a written disciplinary policy, run through trade union, train and communicate to workers.	4/7/2007	Factory applied in-line quality inspections three times.	* Factory applied three times the in-line quality inspections to avoid case of bulk of defective products which could lead to criticism. * Factory has no plan for back paying. * Disciplinary policy was mentioned in the new factory internal regulations which was signed in January 2007. * Factory stops this practice and from that point of view the 3 times in-line quality inspection will help to prevent this case happen in the future.	Factory Policies, factory record	Completed				
Disciplinary Practices	Chapter VIII of labor code Decree 41/CP-1996 Decree 33/2003/ND-CP Circular 19/2003/TT-BLĐTBXH	Employers will utilize consistent written disciplinary practices that are applied fairly among all workers.	Psychological abuse: workers are required to make public self-criticism for minor mistakes.				Worker interview, record review			Factory to immediately stop this practice. Refer to disciplinary policy above.	4/12/2007	Public self-criticism was given up. Factory will stop to read self-criticism over loudspeakers.	* Factory's disciplinary is in place. * Workers of cutting line still read self-criticism over loudspeakers. * Factory committed to stopping this practice.	Disciplinary policy	Completed				
Monetary Fines and Penalties		Employers will not use monetary fines and penalties for poor performance.	Workers report use of monetary fines for failure to wear uniform.	Records and Management failed to confirm this finding, however it is possible fines are used off books.			Worker interview						* Factory did investigation but no information has been come up with. * Top management asks Line Leader not apply monetary fines to workers if workers don't wear uniforms. In the mean time, Trade Union will follow up this and keep the factory management updated.		Completed				
<b>5. Non-discrimination</b>																			
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.																			
<b>6. Health and Safety</b>																			
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer.																			
Fire Safety, Health and Safety legal compliance	Labor Code - Article No. 97 Decree No. 16/CP dated 12/01/1995 Circular 12/2010/TT-BLĐTBXH-TT dated 11 Apr 1996 & Circular No.23/LĐTBXH-TT dated 19 Sept 1995	Employer will comply with applicable health and safety laws and regulations in any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits.	Annual health check was conducted but no documented follow up or actions on cases.				Record review, management interview			Factory to have annual plan for workers' health check up. All relevant documentation have to be filed properly.	4/7/2007	We already held the health-check for workers but Health Center keeps our health-checking control and all health books. Therefore this could not be provided to auditor during the auditing date. Factory will forward the worker annual health check results to Nike as soon as possible.	This could not verify during the audit date even though the pictures were shown for reference. This issue is supposed to be closed whenever the workers' health check results were submitted to Nike. Workers' health check certificates are available on request.	Documentation record	Completed				
Evacuation Procedure	Article 102 of labor code, Circular No.08/LĐTBXH-TT dated 11 Apr 1996 & Circular No.23/LĐTBXH-TT dated 19 Sept 1995	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unlocked exits/aisles, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	Some aisles partly blocked by benches/workstations. Two emergency exits locked at time of inspection.				Visual inspection			Factory to rearrange the workshop to make sure all aisles are free objection. All emergency exit have to be unlocked during working hours.	4/7/2007	One more exit will be installed within the accessory warehouse. Assure that both two exits at the material warehouse always opened. Automatic alarm system will be installed within these two warehouses as well.	* Only one exit at the accessory warehouse. * One of the two emergency exits at the material warehouse was closed during the working hour. * There is no automatic alarm system installed within the material warehouse. * Police Fire and Brigade conducted the Fire and Safety inspection on 05/03/07 (after constructing a new exit at the accessories warehouse). The meeting minute demonstrated the factory safe condition. * In the mean time, factory has no plan to install the automatic alarm system due to the cost. However, the factory has been under process of installation.	Visual inspection	Completed				
Safety Equipment	Circular No. 138/VT-TT dated October 24th, 1996/3.1.1. At the workplace holding harmful and dangerous elements likely to cause occupational accidents the employer shall provide medical technical facilities such as first aid medicine, anti-dots, emergency charts, dressing, cotton-wool, gloves, scissors, smotherers, gas mask, poison prevention and ambulances car"	All safety and medical equipment (such as fire fighting equipment, first aid kits etc.) shall be in place, maintained as prescribed and accessible to the employees.	First aid kits are not kept stocked as per stock list. Many were empty at time of inspection.				Visual inspection			Factory to stock all first aid kits as per stock list.		Equip all first aid kits for each medical box. The name of in charge persons posted for workers' reference.	All first aid boxes are well equipped, medicine checklists available and the name of in charge persons posted for workers' reference.	Visual inspection	Completed				
Chemical Management	Decree No. 188/2005/ND-CP dated May 20, 2005	All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their responsibilities, in the safe use of chemicals and other hazardous substances.	There is no list of chemicals used in factory. Workers found using Light Gasoline for spot cleaning without PPE. Chemicals contained in drinking water bottle without label or MSDS.				Record review, visual inspection			Factory to develop a list of chemical being used in the facility. Each chemical used need to have an MSDS. Training workers on chemical transportation, usage, handling and PPE.	4/7/2007	Provide PPE for workers who use chemicals for cleaning. Label for chemical bottles. Factory will set up chemical list and MSDS for used chemicals.	No chemical list, MSDS is available. PPE is available but workers are not aware. Chemical list and MSDS are available on request.	Visual inspection, chemical list	Completed				
Record Maintenance	Labor Code - Article 108 All work-related accidents and cases of occupational disease must be documented, investigated, recorded, statistically noted, and reported on a regular basis in accordance with the provisions of the law. Joint Circular No 14/2005/TT-LĐTBXH-BYT-TLĐLĐVN dated 06/3/2005	All safety and accident reports shall be maintained for at least one year, or longer if required by law.	Accident cases are not investigated and reported, some accidents occurred (same worker, same machine) but no investigation or proposed solution. Factory has monthly summary of all accidents.				Record review, worker interview			Factory to have an injury log book that: (a) tracks all injuries, illnesses and fatalities for each year. (b) is reviewed and posted annually. After each accident, the factory has to: (a) complete and accident investigation and (b) implement strategies and fees for issues that were found to be deficient or lacking.	4/7/2007	* Set up a procedure to facilitate clinic department as well as ESH committee members in investigating accidents, injuries, illnesses, from which root cause could be come up with and related counter measure could be accordingly developed and implemented.	Summary is not consolidated and post for workers reference. Accident is not fully investigated. Factory has monthly summary regarding accident and injury. Accident investigation files are available on request.	Injury log book	Completed				
Machinery Maintenance	Article 88 of Labor Code: "The employer must have adequate protection for parts which may easily cause dangers and actions of machinery and equipment within the enterprise."	All production machinery and equipment shall be maintained properly guarded, and operated in a safe manner.	Sewing machines do not have safe guards.				Visual inspection			Factory to install needed safe guards for all sewing machines.	4/7/2007	Remind workers to fit safe guards.	100% (for machines) have safe guards.	Visual inspection	Completed				
Worker Participation	Joint Circular No. 14/1998/TT-BYT-BLĐTBXH-TLĐLĐVN dated 31 Oct 1998	Workers should be involved in planning safety committees.	Safety committee does not function properly in investigating and preventing work accidents; meeting are reportedly held regularly, but no documentation available for review				Record review, management interview			Factory to have a safety committee that works. This safety committee has to meet monthly, meeting minutes is required, approved by factory management and communicated to all workers on a monthly basis.	4/7/2007	* Factory ESH Committee will recruit more members among the workers. The monthly meeting minutes will be consolidated and posted for workers' reference. * Factory ESH committee meeting has been conducted on a monthly basis with the integration of factory management board. Meeting minutes are filed for future reference as well as published on announcement board for workers'	Management interview	Completed					
Other	Circular No. 37/2005/TT-BLĐTBXH dated December 29, 2005	Safety training has not been conducted annually and documented.					Worker interview, management interview			Factory to have annual schedule for safety as part of the annual training plan. All training documentation have to be filed accordingly.	4/7/2007	Conducting safety training with plan, attendance record, material		Training plan	Completed				
Other	Circular No. 37/2005/TT-BLĐTBXH dated December 29, 2005	No documented machine safety training for operators of specialized production machines.					Management interview			See action above	4/7/2007	Training regularly for operators of specialized production machines	Operators of specialized production machines are trained before using them.	Training record	Completed				
<b>7. Freedom of Association and Collective Bargaining</b>																			
Employers will recognize and respect the right of employees to freedom of association and collective bargaining.																			

			IEM Findings								Remediation		Status		Updates (Cite Date of Follow up)		Third Party Verification		Company Verification Follow up		
FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (unsubstantiated)	If not corroborated, explain why	Source/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	PC Internal audit findings (Optional)	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up)	Documentation	Completed: Pending: On-going	Company Follow up	Documentation	External verification (Date)	Documentation	Company Follow up (Cite date of planned or follow up visit, if appropriate)	Documentation
Compliance to local collective bargaining laws	Chapter V of labor code; Decree No. 93/2002ND-CP	Employers will comply with all national and local laws and regulations concerning collective bargaining and free association. Where conflicts are known to exist, employers will use the standard that provides the greatest protection for workers.	CBA was signed in 2006 but was not negotiated or posted for workers review. It was reportedly communicated to workers only over loudspeakers but workers are not aware of it.				Management interview, worker interview			Factory to ensure CBA is approved by local authorities. Training to workers on CBA. Training documentation to be filed.	4/1/2007	Update workers again concerning the CBA over the loud speakers as well as hand out distribution; another copy of CBA was already provided at the bulletin for workers' reference	CBA was posted at notice board but workers weren't aware. Factory should communicate with workers about CBA. Factory to publish CBA for all lines, communicate to workers over loudspeakers as well as post CBA at notice board.	Workers interview/Circular of DOLISA	Completed						
<b>Wages and Benefits</b>																					
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits.																					
Pay statement		Employers will provide workers a pay statement each pay period, which will show earned wages, regular and overtime pay, bonuses and all deductions.	Pay slip has not been provided to workers since August 2006. Workers do not sign to confirm accuracy of hours worked and pieces produced.				Management interview, worker interview			Pay slip provided to workers every payday is required. Workers need to be trained on pay slip and how their salary is calculated.	4/1/2007	Factory will provide pay slips and asked to sign in every month.	Factory lost all copy of pay slip for previous month. Workers don't know how to calculate their salary. Payslips are provided to workers every month.	Pay slip	Completed						
Time-recording system		Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards.	Unreliable time recording system; electronic and manual time records for the previous three months were lost. Partial records provided were incomplete, inaccurate and unverifiable.				Management interview, record review			Factory needs to set up time keeping system immediately and works well.	4/1/2007	Repairing the time recording system to make sure that all information concerning workers' working hours is accurate and updated; time recording system must be kept both in software and hard copy; make sure that there is a backup system for the time recording system; all files must be kept on site at least three years.	Factory adjust their record when auditors request. (Falsified documents). Time keeping system was repaired and has worked well currently.	Attendant sheet	Completed						
Timely Payment	Labor Code - Article 43 Within seven days from the date termination of a labor contract, each party shall be responsible for full payment of all sums outstanding to the other party. In special cases, this period may be extended, but shall not exceed thirty (30) days.	All compensation shall be paid in a timely manner.	Resigned/terminated workers are not paid severance within 30 days as required by law. Salary for several days worked before leaving is not paid.				Management interview, record review			Factory should pay back and adjust leaving policy. Should pay for resigned workers by local law.	4/1/2007	Correct past mistake	No documents proved that factory paid back for resigned/terminated workers. Factory contacted resigned/terminated workers and paid them back.	Workers interview, payroll (review)	Completed						
Timely Payment	Labor Code - Article 43 Within seven days from the date termination of a labor contract, each party shall be responsible for full payment of all sums outstanding to the other party. In special cases, this period may be extended, but shall not exceed thirty (30) days.	All compensation shall be paid in a timely manner.	Salaries are paid to workers on the 25th of the following month. This is within the legal limit but not "timely" and slower than local industry norm.				Management interview, record review			Factory to ensure workers receive salary no later than two weeks after working month.	4/1/2007	Factory pays salary on the 15th of following month.	Factory paid salary for workers on 14th of month.	Workers interview, payroll (review)	Completed						
Payment during training time	Circular No. 37/2005/TT- BLDTBXH dated 29 December 2005.		Workers are not paid for orientation training period. Factory reports that they are paid in cash not in the payroll.				Record review			Factory to ensure all training days are paid.	4/1/2007	Paid for orientation training period in the payroll.	Factory can't provide starting day in their record to identify new workers receive payment for orientation training period. Factory should update and keep their all needed information. Factory paid for orientation training in payroll.	Factory policy	Completed						
Special provisions regarding women workers.	Labor Code - Article 115 3. ...during the period of raising a child under twelve (12) months old female employees shall be entitled to a break of sixty (60) minutes every day, and still receive the same wage.		Nursing workers are granted one hour off but are not paid full eight hours as per law.				Record review			Check overtime work for nursing workers.	4/1/2007	Factory will pay back.	Factory provided incorrect data of nursing mother when auditors request. (Falsified documents). Factory paid for all past mistakes.	OT Accumulate	Completed						
<b>Hours of Work</b>																					
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven days.																					
Overtime Limitations	Article 72 of the Labor Code In every week, each employee shall be entitled to a break of at least one day (twenty four consecutive hours). Circular No. 14/2003/TT- BLDTBXH In special cases where, due to the production cycle, it is impossible to arrange weekly rest, it must be ensured that laborers shall have at least 4 rest days in a month. Article 85, 86 of the Labor Code Circular No. 15/2003/TT- BLDTBXH dated 06/03/2003 The overtime must not exceed 4 hours a day, 16 hours a week, 14 hours in 4 consecutive days and 300 hours a year.	Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.	Some cases of Sunday work were documented: At least one Sunday in July and one Sunday in October without compensating day off, plus one Sunday in October with compensating day. Sunday work cannot be verified in August and September due to missing records.				Record review, worker interview			Factory should provide compensation day off for Sunday work. Factory should keep our Sunday records.	4/1/2007	Workers are paid 200% for Sunday working. In August and September, workers did not work in Sunday.	Factory should identify new workers receive 200% for workers who work on Sunday in July and Oct.	Production record, payroll (review)	Completed						
Voluntary OT		Overtime hours worked in excess of code standard will be voluntary.	There is no written policy on voluntary overtime. At least one case of worker given a warning letter for refusing overtime.				Record review, worker interview					Develop OT policy, voluntary OT registration form, kept in file for at least three years.	OT Policy is in place.	OT Policy	Completed						
<b>OT, Overtime Compensation</b>																					
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.			Hours found																		
Accurate recording of OT hours worked		Employees will be paid for all hours worked in a workweek. Calculation of hours worked must include all time the employer allows or requires the employee to work.	Unreliable time recording system; electronic and manual time records for the previous three months were lost. Partial records provided were incomplete, inaccurate and unverifiable.							Factory needs to set up time keeping system immediately and works well.	3/7/2007	Repairing the time recording system to make sure that all information concerning workers' working hours is accurate and updated; time recording system must be kept both in software and hard copy; make sure that there is a backup system for the time recording system; all files must be kept on site at least three years.	Factory adjust their record when auditors request. (Falsified documents). Time keeping system was repaired and operates well.	Time keeping system, attendant sheet	Completed						
<b>Violations</b>																					